task of the Chancellor of the Exchequer of imposing economy on a spendthrift War Cabinet is one of extreme difficulty. I hope it is not necessary to say that *I* do not urge economy from any sordid desire to save the nation's money if, by its spending, victory could be secured or brought a day nearer. I only urge it because *I* believe that the conservation of our resources is absolutely necessary to maintain our staying power, and that these resources are at present being scandalously wasted by the Government. Inter-departmental competition is still complained of in the latest report of the National Committee on Expenditure, and there seems to be still very little evidence that the Government Departments have yet possessed themselves of the simple fact that it is only out of these resources that victory can be secured, and that any waste of them is therefore a crime against the cause of liberty and progress. It is possible that before these lines are in print the Chancellor will have brought in his new Budget, and therefore any attempt to forecast the measures by which he will meet next year's revenue would be even more futile than most other endeavours at prophecy. But from the figures of last year as they are before us we see once more that the proportion of expenditure raised by revenue still leaves very much to be desired; £707 millions out of,

roughly, £2700 millions is not nearly enough. It is true that on the expenditure side large sums have been put into assets which may some day or other be recoverable, and it is therefore impossible to assume with any approach to accuracy what the